

Department of Transportation

Information to Assist Businesses with Caltrans
Contract Opportunities

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- **Certification: What's in it for me?**
 - **5% preference** on State-funded contracts
 - State law allows certified small business (SB) and microbusiness (MB) firms and non-small businesses who subcontract with a certified SB/MB firm to receive a 5% bidding preference on applicable state solicitations. **The effect of the preference is to help SBs/MBs be more competitive in the bid process, thereby enhancing State contract awards directly or indirectly to SB/MB.** The preference is only used for computation purposes to determine the winning bidder, the contract is awarded at the actual bid amount.

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■ **Certification: What's in it for me?**

■ **Prompt payment benefit**

- The State must pay a certified SB/MB higher interest penalties for late payment of an undisputed invoice
- Any State agency that fails to make any progress **payment within 30 days** after receipt of the payment request from a contractor on a construction contract for an undisputed payment request, which was properly submitted by the contractor to the agency, shall pay interest to the contractor

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■ **Certification: What's in it for me?**

■ **"SB/DVBE Option"**

- State agencies may use this streamlined process by contracting directly with a California certified SB/MB for goods, services, and public works projects. The solicitation must be valued at more than \$5,000, and the State agency must obtain price quotes from at least 2 California certified SBs/MBs
- The option now allows informal solicitation up to, but not including, \$250,000

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■ **Certification: What's in it for me?**

■ DVBE Incentive Program

- Offers state agencies a tool to increase their DVBE participation

<http://www.pd.dgs.ca.gov/dvbe/dvbeincentive.htm>

- The State has a 25% overall certified Small Business goal and the DVBE goal is 3%
- Caltrans is specifically reaching out to certified firms to participate on projects and the procurement of goods and services

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- **Certification as SB/DVBE and/or microbusiness**
 - If a contract is State-funded, only California state-issued certifications from the Department of General Services (DGS) are used to meet the contract goal or requirement
 - **Small Business (SB)** – based upon 3-year average gross annual receipts not to exceed 14 million dollars, firm size and Commercially Useful Function (CUF)
 - **Disadvantaged Veteran Business Enterprise (DVBE)** – based upon percent of disability, majority operational control of the firm and Commercially Useful Function (CUF)

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■ DVBE Program Changes

- <http://www.pd.dgs.ca.gov/dvbe/dvbeprogchanges.htm>
- This information covers both program requirements and violations; references the military and veterans code

■ SB Program Information

- <http://www.pd.dgs.ca.gov/smbus/sbcert.htm>
- This information covers program requirements and benefits

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■ **Micro Business certification**

- A small business will automatically be designated a “micro business”, if gross annual receipts, together with all affiliates, are less than \$3,500,000 or the small business is a manufacturer with fewer than 25 employees
- Currently, the State does not utilize the “micro business” designation. But many city and county governments do, and this is an added bonus, to have this designation in addition to the “Small Business” certification

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- **What is Commercially Useful Function (CUF)?**
 - Click here for the DGS information and questions asked of firms, including manufacturers and suppliers:
<http://www.pd.dgs.ca.gov/smbus/cufsbdvbeTEMP.htm>
 - The purpose of CUF is to disqualify firms found to be “storefronts” and not viable businesses
 - Additionally, certified subs hired on projects need to have a CUF as it relates to a specific contract... this is where the use of UNSPSC codes can be important

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- **Certification as a Disadvantaged Business Enterprise (DBE)**
 - This certification is used for federal-funded contracts
 - There are 6 DBE categories: Hispanic, Asian Sub-Continent, **Native American, Asian Pacific Islander, African American or Woman-owned** firms
 - Only the last four listed in **blue** are considered *Underutilized* Disadvantaged Business Enterprises or UDBEs

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- **Certification as a Disadvantaged Business Enterprise (DBE) cont.**
 - A “UDBE” is simply a DBE that is “underutilized” on Caltrans projects
 - A woman-owned business is considered a UDBE, no matter the category, as woman-owned firms are underutilized in all categories
 - DBE information: <http://www.dot.ca.gov/hq/bep/>
 - California Unified Certification Program (CUCP) – one statewide database for all DBE firms:
<http://www.dot.ca.gov/hq/bep/ucp.htm>

Department of Transportation – Tips

- **If you have not handled Caltrans jobs before**, think of partnering with a more experienced firm just to get familiar with how the contract process works. Many primes are looking for subs with some Caltrans experience.
 - http://topics.law.cornell.edu/wex/joint_venture for information on partnering, joint ventures, etc.
- Your local Small Business Development Center (SBDC) is a good source for information on how to be successful in doing business with both the State and federal government: <http://www.calbusiness.ca.gov/cedpgybsbdc.asp>
- Read all of the information on the links provided. You will find answers to many of your questions

Department of Transportation – Tips

- **Whether a large or small firm**, all should review this Accounting and Auditing brochure that contains guidelines for contracts with Caltrans
<http://onramp.dot.ca.gov/hq/audits/documents/auditbrochure.pdf> If your business accounting practices do not follow these guidelines, a pre-award, interim or post award audit may deny you a contract or contract cost reimbursements

Department of Transportation – Tips

- **If you are a licensed contractor**, click here to register in the Contractor Interest Registry:
<http://www.dot.ca.gov/contractor/>
- When there is a highway emergency, licensed contractors may be selected under Emergency Procedures without the necessity to formally bid the work
- Caltrans is not the last word in construction contracts. Look at other state departments for construction, commodity and service contracts

Department of Transportation – Tips

- **Where can I get bonding assistance?**
 - The Surety Information Office at this link: <http://www.sio.org/>
 - Access surety bond information for design professionals, contractors and sub contractors
 - Get this information for FREE
 - The SBA Loan Program at this link: www.sba.gov
 - ARC deferred-payment loan up to \$35,000
 - Interest-free with no fees and deferred payments up to 12 months
 - SBA Bond Guarantee Program

Other Information and Opportunities

- **Click here for recycling information:**

<http://www.calrecycle.ca.gov/stateagency/recycling/contracts/>

- **Click for information regarding new products:**

<http://www.dot.ca.gov/hq/esc/Translab/NewProducts/>

- **Click here for information on TBAP grants:**

<http://www.calrecycle.ca.gov/Tires/Grants/TDPBusiness/>

The End!